

**Our understanding of sustainability in the business partner management**

Progress-Werk Oberkirch AG, together with its affiliates, (collectively referred to as “PWO”), understands sustainability to be an integral part of its business processes. As a globally-leading developer and manufacturer of sophisticated metal components and systems in light-weight design for safety and comfort in automobiles, we procure raw materials, products and services around the world from suppliers, service providers and other business partners (hereinafter referred to as “Business Partners”) in order to secure our customer’s sustainable success with innovative product and service solutions.

PWO is aware of its social and business responsibility, and observes legal regulations as well as high ethical standards. PWO has made this principle an integral part of its mission statement and, furthermore, imposed its own Code of Conduct that set standards of business conduct for all PWO employees. The mission statement and Code of Conduct are published at <http://www.progress-werk.de/en/group/pwo-culture/>.

The basis for this is responsible company management oriented towards long-term value creation. For this reason, we involve our business partners directly in our sustainability strategy. With regard to our procurement activities, we not only pay attention to procedural, economic and technical criteria but also to social and ecological aspects, such as human rights, work conditions, corruption prevention and environmental protection.

In the area of conflicting priorities between product / performance, market, region and process, the essential factors for the selection and evaluation of suppliers are, to us, costs, quality, reliability, innovation and sustainability.

For this reason, PWO expects compliance from its Business Partners with all relevant national and international laws and regulations, as well as the requirements according to this Code of Conduct for Business Partners (hereinafter referred to as the “PWO Business Partner Code of Conduct”).

## **1. Treatment of Employees**

PWO expects its Business Partners to observe the fundamental employees' rights of the respectively applicable national legal system. In addition, PWO expects recognition of the "Universal Charter of Human Rights" of the United Nations, the principles of the UN Global Compact, and the core work standards of the International Labour Organization (ILO), in consideration of the country-specific laws applicable at the different sites.

### **Child Labour**

PWO expects that its Business Partners prohibit and refrain from any kind of child labour at their companies.

### **Discrimination**

PWO expects that its Business Partners treat their employees fairly and that they prevent discrimination in the hiring of employees as well as in promotions or the provision of training or continued education measures. We expect each Business Partner not to discriminate against anyone for reason of their gender, skin colour, age, citizenship, religious affiliation, social origin, disability, or sexual orientation.

### **Forced Labour**

PWO rejects any kind of slavery or forced labour and expects the same from its Business Partners.

### **Freedom of Association**

PWO expects that its Business Partners respect the freedom of association as well as the right to form interest groups. Thus, they shall grant the right to their employees under national laws and regulations to represent their interests.

### **Compensation and Working Hours**

PWO expects that its Business Partners observe the respectively applicable legislation on working hours. It is furthermore expected that the employees of our Business Partners receive compensation that is consistent with the respectively applicable national laws.

## **2. Health Protection and Work Safety**

PWO expects that its Business Partners observe the respectively applicable legislation on health protection and work safety. The Business Partner shall support the protection of their employees' safety and health through appropriate measures, such as preventive and consistent work protection as well as a safe and healthy work environment.

## **3. Environmental Protection**

As a company operating in the automotive supplier industry, we always work towards saving raw materials and energy, and use the legally permissible substances and materials that do not pose any hazards to health or the environment.

PWO expects that its Business Partners observe the respectively applicable environmental laws, regulations and standards. It is furthermore expected that Business Partners establish and apply an appropriate environmental management system (e.g. according to ISO 14001).

## **4. Conduct in the Business Environment**

### **Prohibition of Corruption and Bribery**

Corruption is prohibited by international conventions (e.g. the principles of the UN Global Compact and the UN Conventions against Corruption) and national laws. PWO does not tolerate any form of bribery or business practices that may give rise to the impression that there is any impermissible using of influence or manipulation among either its own employees or those of its Business Partners.

PWO expects from its Business Partners in the business relationship with PWO that they refrain from offering any advantages whatsoever to third parties and neither receive any direct nor indirect advantages for themselves from others. Likewise, they shall not promise any advantages constituting an illegal action pursuant to the applicable anti-corruption laws.

PWO additionally expects that its Business Partners not tolerate any form of illegal gratuities whatsoever, particularly in business contact with official dignitaries and authorities at home and abroad. They shall likewise ensure the integrity of their employees' conduct and procedures.

### **Invitations and Gifts**

In the handling of gratuities, for example, in the form of gifts or invitations, the Business Partner shall pay close attention generally and particularly, as concerns its activity for PWO, to avoiding any appearance of impropriety or incorrectness. PWO expects that its Business Partners not abuse invitations and gifts for the purpose of taking influence. Invitations and gifts to PWO employees or persons associated with them shall be granted only if the reason and value is appropriate, i.e. if they are of low value and if they can be considered as an expression of locally generally accepted business practice. In the same way, the Business Partners shall not solicit any inappropriate advantages from PWO employees.

### **Avoidance of Conflicts of Interest**

PWO expects that its Business Partners make their decisions regarding their business with PWO exclusively on the basis of objective considerations. Conflicts of interest with private or family matters or otherwise with economic or other activities, also such of associated persons or entities or other related persons or organizations, shall be avoided from the outset already.

### **Fair Competition**

PWO expects that its Business Partners act fairly in competition and observe the applicable legal regulations of anti-trust and competition law. The Business Partners shall neither participate in any agreements with competitors contrary to anti-trust regulations nor take advantage of any possibly existing market-controlling position.

### **Money Laundering**

PWO expects that its Business Partners observe the relevant legal requirements for the prevention of money laundering, that they do not get involved in money-laundering actions, and support the international fight against money laundering, in consideration of the country-specific laws applicable at the different sites.

## **5. Confidential Handling of Information**

For the protection of confidential and personal information, data and plans, the Business Partner shall retain these safely and protect them against access, misuse, unauthorized use or illegal transfer by third parties according to applicable laws.

PWO expects that its Business Partners observe all relevant legal regulations on data privacy and that they gather, process and use personal data only on the conditions of the applicable data protection regulations.

Business Partners may use information exclusively for authorized purposes and in an appropriate way and manner. All Business Partners of PWO undertake not to pass on any confidential data and business secrets to third parties without authorization and neither use these on their own for their own purposes and benefits or in detriment of PWO.

## **6. Supplier Relations**

PWO expects that its Business Partners also communicate all principles and requirements described herein to their subcontractors and suppliers and likewise observe these principles in the selection of their subcontractors and suppliers. The Business Partners shall encourage their subcontractors and suppliers to observe the standards described in this Business Partner Code of Conduct within the scope of the fulfilment of their contractual obligations.

## **7. Observation of the PWO Business Partner Code of Conduct**

PWO calls upon selected Business Partners to prepare a self-evaluation based on the so-called "Supplier Questionnaire" / "Supplier Self-Assessment." PWO will verify the fulfillment of the requirements based on this PWO Business Partner Code of Conduct within the scope of a risk-based review in order to detect any compliance or integrity risks ("Business Partner Compliance Due Diligence").

PWO reserves the right to reconsider the business relationship with any Business Partner in the event that deviations from this PWO Business Partner Code of Conduct are discovered. In this process, PWO will adhere to the principle of appropriateness, so that PWO will carefully review which consequences are appropriate, suitable and required in each individual case. This can lead to an immediate termination of the business relationship as well as to claims being brought for damage compensation.

## **8. Report of Violations**

The Business Partner shall report any suspected violation of regulations, laws and the PWO Business Partner Code of Conduct by PWO employees. In the event of violations, the PWO Compliance Officer shall be informed.

All information shared will be checked carefully and treated as confidential.

### **Compliance Officer of PWO de Mexico S.A. de C.V.**

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**9. Confirmation from the Business Partner**

We, the undersigned, hereby confirm that

- we have received the PWO Business Partner Code of Conduct and have taken due notice thereof,
- we know all relevant laws and regulations of the countries in which our company operates,
- we will report to PWO all instances of suspected violations of the PWO Business Partner Code of Conduct by PWO employees,
- we fulfill and accept the requirements of the PWO Business Partner Code of Conduct based on a development-oriented approach and without any changes or annulments,
- we inform all of our employees of the contents of the PWO Business Partner Code of Conduct,
- we communicate all principles and requirements of the Business Partner Code of Conduct to our subcontractors and suppliers and encourage them to observe the standards described in it.

Name of the company

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Signature

Stamp / Seal of the company

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Name and title

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Registration number (e.g. commercial register / tax identification number)

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Date and place

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This document must be signed by an authorized representative of the Business Partner and be returned to the requesting PWO purchasing organization.